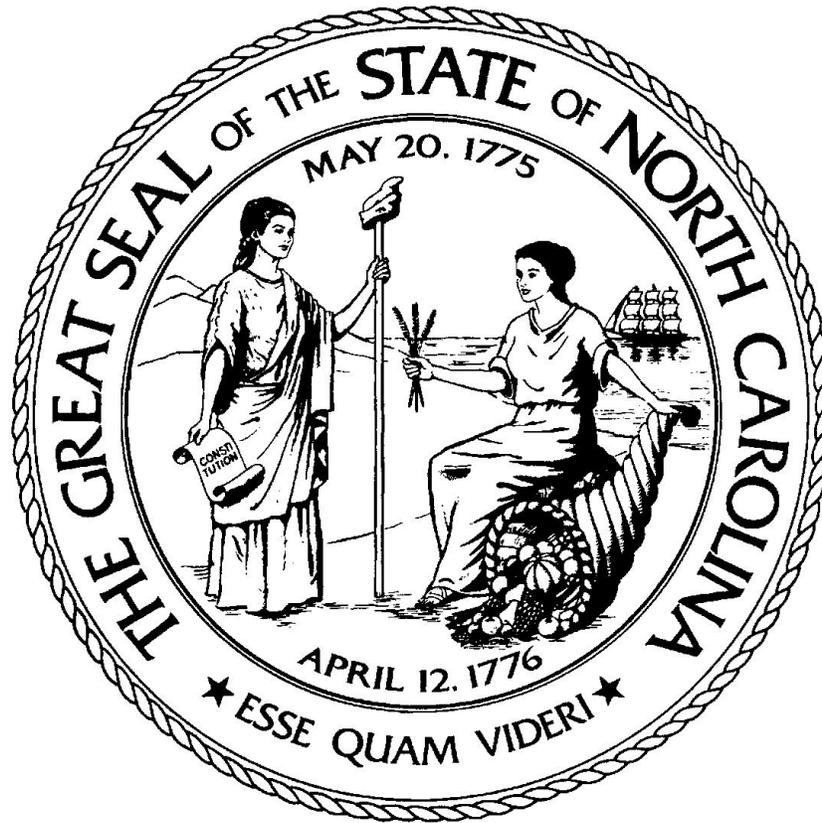


# Office of State Budget and Management

Strategic Plan

2019-2021



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# 1. Strategic Plan Executive Summary

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## Scope of Work

The North Carolina Office of State Budget and Management (OSBM) is tasked with delivering the highest quality statewide budgetary, management and information services to advise the Governor, state agencies, and legislature on the most effective use of public resources.

The services that OSBM provides reflect the needs of North Carolina's state budget cycle, including budget development, budget certification, and budget execution. Additionally, OSBM offers tools to support decision-making by conducting management studies, strategic planning analyses, and internal audits. It also offers IT support for various state budgeting systems as well as collects and analyzes economic and demographic data. Finally, OSBM provides information and oversight on grants within the state.

OSBM recently underwent an organizational restructuring process to better align OSBM's sections by work processes rather than legislative subcommittees. This new structure allows OSBM analysts to focus more time on strategic issues and removes bottlenecks in current work processes. OSBM believes these changes provide state agencies and universities with the additional flexibility and efficiency required to manage business operations. Additionally, they allow OSBM to allocate consistent resources to program evaluation and to enhance the use of data and evidence-based information for targeting how state resources should be invested in the future.

## Strategic Plan Review and Refresh Process

The OSBM Strategic Plan review and refresh process followed several steps. These included:

- The identification of a staff member to serve as facilitator and a point of contact for updates to the prior year's strategic plan;
- Facilitator led one-on-one working sessions with goal champions to discuss and update prior year plan components;
- A facilitator led two-hour group session with senior management and goal champions to further refine goals, objectives, measures for the year;
- Follow-up one-on-one sessions with goal champions and senior management to finalize strategies and tasks;
- An officewide staff meeting in which senior management unveiled and briefed the revised plan for Fiscal Year 2020.

Great care was taken to ensure that all efforts captured in the strategic plan were aspirational yet attainable and aligned the Governor and Budget Director's vision for North Carolina. There was a consistent effort to produce a document that would serve as a practical guide in coordinating, resourcing, and managing the performance of seeming disparate efforts for both management as well as OSBM analysts. With that in mind, this document is and should remain "living" in the sense that many aspects of it are subject to revision as often as necessary.

It should be noted that this strategic plan does not provide a comprehensive account of every important activity of OSBM, as the full scope of the organization's work is extensive. Nevertheless, this plan seeks to document the overarching strategic efforts that are realistically executable in Fiscal Year 2020 and that have been prioritized as key to OSBM's own efforts for continual excellence and effectiveness.

## Summary of Plan

The revised OSBM Strategic Plan for 2019-2021 is tailored to best operationalize the reformed organization as well as to evaluate processes and policies that help state government run more efficiently and effectively. To that end, OSBM leadership set four overarching Goals that will guide the organization to its future state vision. They are:

1. Provide objective, high-quality, and timely analysis to decision-makers;
2. Attract, develop, and retain a diverse and highly skilled workforce committed to continuous improvement;
3. Work collaboratively with stakeholders to encourage innovative thinking and ensure responsible management of state resources;
4. Leverage data and technology to operate more effectively and efficiently.

These Goals will guide resource allocation and the focus of efforts for several years. To ensure the actionable and value-adding manifestation of these Goals in this fiscal year, OSBM assigned attainable Objectives to each Goal specific to Fiscal Year 2020. They are:

- 1.1. Reform Budget Execution by reducing the number of revisions to which OSBM does not provide value in FY2020;
- 1.2. Reform Budget Development, Planning, and Performance Management;
  2. Effectively execute OSBM's reorganization officewide;
  3. Foster a culture of organizational excellence statewide;
- 4.1. Implement the IT Strategic Plan;
- 4.2. Increase analytical capacity.

Each of these Objectives have associated Performance Measures crafted to clearly define the method and unit of measurement for a desired event. OSBM, like many organizations, has Performance Measures at varying levels of development; thus, output, milestone, efficiency, and outcome measures are all represented. The Performance Measures listed indicate whether the Strategies, or the efforts employed to accomplish the associated objective, affect the desired change. These Strategies are each supported by Initiatives and Tasks. Several Strategies have co-ownership by OSBM business operations, IT, and/or OSBM's Demographic and Economic Analysis (DEA) section.

## 2. Mission, Vision, and Values

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### Mission Statement

To professionally serve North Carolinians by providing objective information and analysis to ensure a balanced budget and effective stewardship of public resources.

### Vision Statement

We are an innovative team committed to public service, responsible fiscal management, and insightful analysis.

### Organizational Values

#### Integrity

- We hold ourselves to the highest professional and ethical standards.
- We perform our work with honesty, diligence, and responsibility.
- We are accountable for doing the right thing.

#### Teamwork

- We are a team of talented people, deriving expertise from all levels of the organization.
- We recognize that collaboration inside and outside the organization will maximize our shared knowledge, which is critical to achieving our goals.
- We respect and celebrate individual and collective difference and strengths in our teams.

#### Innovation

- We encourage resourcefulness, creativity, and adaptability to continually seek more efficient and effective ways to carry out our mission.
- We seek to create the ultimate workplace destination in state government.

#### Excellence

- We insist in giving our best effort in everything we undertake.
- We believe in the importance of continuous improvement as we constantly strive for a higher level of performance to deliver quality outcomes and exemplary customer service.

### 3. Goals, Objectives, and Performance Measures

Goal 1 - Provide objective, high-quality, and timely analysis to decision-makers		
<b>Objective 1.1</b> - Reform Budget Execution by reducing the number of revisions to which OSBM does not provide value; CHAMPION: Adam Brueggemann		
<b>Performance Measure (PM-1.1.1)</b> - Reduce the number of budget Revisions by 10% (Quarterly)	<b>Strategy</b>	(S-1.1.1) Implement Budget Execution Reform Plan
	<ul style="list-style-type: none"> <li>Implement Budget Execution Reform Plan: Complete implementation of six reforms from Reform Plan - Phase 1.</li> <li>Finish developing the measures to mark the progress for these six reforms.</li> <li>Draft Budget Execution Reform Plan - Phase 2.</li> </ul>	
<b>Initiatives and Tasks associated with Objective 1.1</b> - Potential tasks include but are not limited to: <ul style="list-style-type: none"> <li>Convene focus groups to perform a 360-degree review of the budget revision process to identify best practices (Part of Budget Execution Reform Plan - Phase 2)</li> <li>Continue to provide internal and/or external training to properly implement changes</li> </ul>		
<b>Objective 1.2</b> - Reform Budget Development, Planning, and Performance Management; CHAMPIONS: Adam Brueggemann, Erin Matteson, Thomas Cheek		
<b>Performance Measure (PM-1.2.1)</b> - Maintain a target of 75% of Cabinet or Council of State agencies/departments which completed Quarterly Reviews (Annual)	<b>Strategy</b>	(S-1.2.1) Complete joint Quarterly Reviews with OSBM and agencies
	OSBM analysts will complete joint Quarterly Reviews with OSBM and agencies	
<b>Performance Measure (PM-1.2.2)</b> - Maintain a target of 75% of Cabinet or Council of State agencies/departments who incorporate Strategic Plans guidance/feedback into the quarterly review meetings (Annual)	<b>Strategy</b>	(S-1.2.2) Execute a new strategic plan drafting and review process
	OSBM analysts will establish a strategic plan drafting and review process	
<b>Performance Milestone (PM-1.2.3)</b>	<b>Strategy</b>	(S-1.2.3) Enhance Open Data platform to meet final phase of LINC requirements (IT – Plan 1.3.1)

<p>- Complete transition to Open Data platform to meet LINC requirements (Annual)</p>	<p>Enhance Open Data platform to address final phase of LINC requirements Complete upload/decommission of targeted data to the new LINC website</p>
<p><b>Initiatives and Tasks associated with Objective 1.2</b> - Potential tasks include but are not limited to:</p> <ul style="list-style-type: none"> <li>• Monthly refresh/review of OSBM website (IT Plan – 1.1)</li> <li>• Continue migration of IBIS production environment to Amazon Web Services (AWS) (IT Plan - 4.3)</li> <li>• Provide improvements to IBIS application (including TM1 &amp; publication) (IT Plan – 1.4)</li> <li>• Provide technologies to modernize budget related systems - Progress Transparency Ph3 - Community Colleges &amp; Universities (IT Plan – 1.5)</li> </ul>	

**Goal 2 - Attract, develop, and retain a diverse and highly skilled workforce committed to continuous improvement**

**Objective 2.1 - Effectively execute OSBM’s reorganization officewide; CHAMPION: Kristin Walker**

<b>Performance Measure (PM-2.1.1)</b> - 90% of newly hired analysts complete the new analyst training curriculum (Annual)	<b>Strategy</b>	(S-2.1.1) Conduct new analyst training (Lead: Angela Griffin)
	Implement new analyst training curriculum as new analysts are hired	
	<b>Strategy</b>	(S-2.1.2) Develop a set of trainings for existing staff based on staff feedback and manager input (Lead: Angela Griffin)
	Catalog and develop a set of trainings for existing staff based on staff feedback and manager input	
	<b>Strategy</b>	(S-2.1.3) Conduct staffing workload review (Leads: Adam Brueggemann, Erin Matteson, Thomas Cheek)
	Budget sections conduct staffing workload review	
<b>Performance Measure (PM-2.1.2)</b> - Launch Employee Satisfaction Survey (Annual)	<b>Strategy</b>	(S-2.1.4) Support and foster and empower organic employee recognition and satisfaction initiatives (Leads: Kristin Walker, Anca Grozav, Sincebaugh)
	Strategy Leads will review feedback from focus group and develop ongoing activities and strategies to improve employee satisfaction and recognize staff	
<b>Performance Measure (PM-2.1.3)</b> - Attend four institutions for recruitment purposes (Annual)	<b>Strategy</b>	(S-2.1.5) Develop and implement recruiting strategy to attract talented analysts and interns (Leads: Anca Grozav & Melissa Sincebaugh)
	Maintain the Outreach Strategy for attracting talented analysts and interns	
<p><b>Initiatives and Tasks associated with Objective 2.1</b> - Potential tasks include but are not limited to:</p> <ul style="list-style-type: none"> <li>• Survey employees annually to capture and understand current training needs</li> <li>• Job description update on 2-year cadence (Lead: Melissa Sincebaugh)</li> <li>• Internal Procedures Update on 2-year cadence (Lead: Michelle Sykes)</li> <li>• Include OSBM Human Resources Policy in Procedures Manual (Lead: Michelle Sykes)</li> <li>• Monthly refresh/review of OSBM Intranet site (IT Plan – 2.1)</li> <li>• Increase the effectiveness of technology training &amp; communication to OSBM (IT Plan – 2.2)                             <ul style="list-style-type: none"> <li>○ Schedule and conduct quarterly technology training for new &amp; existing staff</li> <li>○ Conduct OSBM technology training &amp; needs assessment</li> </ul> </li> </ul>		

**Goal 3 - Work collaboratively with partners to encourage innovative thinking and ensure responsible management of state resources**

**Objective 3.1** - Foster a culture of organizational excellence statewide; CHAMPIONS: Anca Grozav, Barbara Baldwin, Erin Matteson, Kristin Walker

<b>Performance Measure (PM-3.1.1)</b> - Provide at least ten trainings per year to agencies to better foster a culture of organizational excellence statewide (Quarterly)	<b>Strategy</b>	(S-3.1.1) – Formalize external training curriculum (Lead: Angela Griffin)
	Provide and catalogue all OSBM-offered trainings to establish an external training curriculum	
	<b>Strategy</b>	(S-3.1.2) Provide management with recommendations regarding a Performance Management Academy (Lead: Angela Griffin)
	Research and document best practices, and provide management with recommendations regarding a Performance Management Academy	
<b>Performance Milestone (PM-3.1.2)</b> – Develop a long-term plan for completing the implementation of Results First (Annual)	<b>Strategy</b>	(S-3.1.3) Develop a long-term plan for incorporating Results First findings (Lead: Erin Matteson)
	Develop a long-term plan for incorporating Results First findings by drafting a strategy that considers both training and capacity	
<b>Performance Milestone (PM-3.1.3)</b> - Complete Internal Audit Data Analytics Efficiency Project by completing four milestones (Annual)	<b>Strategy</b>	(S-3.1.4) Launch and complete Internal Audit Data Analytics Efficiency Project (Lead: Barbara Baldwin)
	OSBM Audit will accomplish the following milestones to execute strategy: <ul style="list-style-type: none"> <li>• Conduct initial Internal Audit Data Analytics Efficiency training (25%)</li> <li>• Offer ongoing Internal Audit Data Analytics Efficiency training (25%)</li> <li>• Complete first Continuous Audit initiative by December 2019 (25%)</li> <li>• Complete second Continuous Audit initiative by July 2020 (25%)</li> </ul>	
<b>Performance Measure (PM-3.1.4)</b> - Provide 60 presentations and provide/facilitate 12 press interviews to build census awareness (Annual)	<b>Strategy</b>	(S-3.1.5) Promote Census awareness
	OSBM will promote Census awareness.	
	<b>Strategy</b>	(S-3.1.6) Ensure accurate count for Census

<p><b>Performance Milestone (PM-3.1.5)</b> - Participate in census count review training and in the count review in February and June to boost accuracy of the count (Annual)</p>	<p>OSBM will work to ensure accurate count.</p>
<p><b>Initiatives and Tasks associated with Objective 3.1</b> - Potential tasks include but are not limited to:</p> <ul style="list-style-type: none"> <li>• Incorporate Results First findings in juvenile justice policy area with the Department of Public Safety</li> <li>• Facilitate agency “Best Practices” sharing sessions</li> <li>• Complete Records Retention Annual Compliance Review</li> <li>• Ensure Commitment to Enterprise Resource Planning / Financial Backbone (IT Plan – 3.1) <ul style="list-style-type: none"> <li>○ Project Sponsor &amp; Executive Committee members to provide overall project executive support while Steering Committee members will oversee project scope</li> </ul> </li> <li>• Improving cross-functional team communication and goal setting (IT Plan – 2.2.1)</li> <li>• Research evidence-based contracting and grantmaking best practices and provide recommendations to leadership.</li> <li>• Train local governments and other stakeholders on Census 2020 activities and advise preparations for Census 2020</li> <li>• Increase the use of research and evidence in the regulatory process</li> <li>• Develop and implement risk-based Audit Plan for client agencies</li> </ul>	

Goal 4 - Leverage data and technology to operate more effectively and efficiently		
Objective 4.1 - Implement OSBM's IT Strategic Plan; CHAMPION: Gary Thomas		
<b>Performance Milestone (PM-4.1.1) –</b> Reduce total data storage costs (Quarterly)	<b>Strategy</b>	(S-4.1.1) Reduce document storage costs (IT Plan – 4.1.1)
	OSBM IT will work to reduce document storage costs via several internal efficiency-gaining strategies	
	<b>Strategy</b>	(S-4.1.2) Stabilize IT overhead cost to OSBM (IT Plan – 4.2)
	OSBM IT will work to reduce overhead costs to OSBM via several internal efficiency-gaining strategies  Build on existing relationships between OSBM & Department of Information Technology to assure the proper unit/resources are cost effective and accountable to agency ongoing success  Continuous monitoring of Department of Information Technology billing for efficiencies and cost reduction opportunities without jeopardizing agency technical capabilities	
<b>Initiatives and Tasks associated with Objective-4.1</b> - Potential tasks include but are not limited to: <ul style="list-style-type: none"> <li>Develop technology training needs assessment and annual training plan (IT Plan – 2.2.1)</li> </ul>		
Objective 4.2 - Increase analytical capacity; CHAMPION: Anca Grozav		
<b>Performance Milestone (PM-4.2.1) -</b> Complete the improvement of demographic models (Annual)	<b>Strategy</b>	(S-4.2.3) Improve the demographic models to better account for group quarters population
	OSBM DEA analysts will improve the demographic models	
<b>Initiatives and Tasks associated with Objective 4.2</b> - Potential tasks include but are not limited to: <ul style="list-style-type: none"> <li>Identify and implement measures to streamline the boundary information sharing process</li> <li>Draft statutory change proposal to improve the boundary information sharing process</li> <li>Refresh fee process &amp; application with new user-friendly application (IT Plan – 4.4)</li> <li>Create Power BI dashboards for revenue monitoring</li> <li>Improve performance of revenue and expenditure forecast models</li> <li>Streamline revenue and expenditure analysis by developing and maintaining new models and creating new processes to reduce the time for analysis</li> <li>Interact with NC State University/Institute for Advanced Analytics students to ensure their understanding of project objectives</li> <li>Assess Authoritative Boundary Resource pilot performance</li> </ul>		

- Complete knowledge transfer to Budget Development and DEA members to ensure coverage of Medicaid expenditure forecast analysis

## 4. Highlights and Opportunities

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### Agency Highlights and Best Practices

OSBM personnel facilitated strategic plan trainings for state agencies based on best practices. These trainings maintain an emphasis on thoughtful and practical performance management. Producing these materials, hosting these sessions, and collaborating with state budget partners provided OSBM with invaluable insight and proved essential to OSBM forging our own path to an actionable plan and performance measures.

In drafting our strategic plan, OSBM conducted large group meetings in addition to one-on-one interviews to accurately capture ongoing efforts. Group settings allowed for collaboration and brainstorming, while one-on-one sessions led to nuanced and thoughtful solutions. This document was subject to multiple rounds of feedback, which resulted in a well-rounded and comprehensive action plan.

### Potential Initiatives

OSBM identified several efforts which may be pursued in the coming fiscal years. These include:

- Developing a certificate-driven curriculum for budget trainings delivered on a continuous basis;
- Implementing a plan to transform budget execution from a reactive, transactional work environment to one in which OSBM and agencies use enhanced data analysis and new technology to approach problems proactively and strategically;
- Expanding our Human Resources strategy to include better recruitment strategies and metrics;
- Development of a performance management ‘toolbox’ that will provide state agencies various program evaluation tools to guarantee an effective and efficient use of state resources;
- Increasing the use of the future Open Data platform internally and externally; and
- Promoting best practices related to data collection and measurement for regulatory impact analysis.

### Collaborative Opportunities

OSBM continues to discover ways to better partner with state agencies and to add value in the interconnected arenas of strategic planning, performance management, and budget development. We plan to continue to host relevant trainings (i.e., Strategic Planning, Power BI, and Evidence-based Budgeting) and will seek out other forums to facilitate agency best practice sharing. In addition, OSBM is sponsoring a process improvement service known as “Systems Analysis,” which aims to help agencies identify areas of improvement and to provide recommendations for tested, best practice solutions.